

Message Text

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TO USMISSION GENEVA IMMEDIATE

INFO USDEL MTN GENEVA

AMEMBASSY SEOUL

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E.O. 11652:N/A

TAGS: GATT, ETRD, KS

SUBJECT: INSTRUCTIONS FOR MAY 3 GATT BALANCE OF PAYMENTS
CONSULTATION WITH KOREA

REFS: (A) GENEVA 1903; (B) SEOUL 2952; (C) GATT DOC.
BOP/152/REV. 1

1. WASHINGTON AGENCIES HAVE REVIEWED REF DOC (C) AND
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RELATED DOCUMENTS AND IN GENERAL HAVE FOUND THE KOREAN
SUBMISSION SATISFACTORY. AS INDICATED IN REFTL B,
HOWEVER IT WAS NOT AS UP-TO-DATE AS IT MIGHT HAVE BEEN
AND ATTENTION SHOULD BE DRAWN TO THAT FACT. (AMEMBASSY

SEOUL IS TO BE COMMENDED FOR THE CONSTRUCTIVE COMMENTS AND VERY USEFUL INFORMATION IT HAS PROVIDED IN ITS REPORTING CABLES ON THE KOREAN BOP SITUATION OVER THE LAST YEAR AND ESPECIALLY FOR REFTEL B.) THE PARTICULAR USG CONCERN WHICH THE U.S. REP SHOULD ATTEMPT TO COMMUNICATE IN THIS CONSULTATION IS OUR FEELING THAT KOREA'S IMPORT RESTRICTIVE SYSTEM IS UNDULY COMPLEX WITH HIGH RESULTANT COSTS TO THE KOREAN ECONOMY, IN TERMS OF (1) DISTORTIONS IN ECONOMIC DECISION-MAKING BY KOREAN END-USERS, (2) HIGHER ADMINISTRATIVE COSTS ASSOCIATED WITH PURCHASING IMPORTED PRODUCTS AND (3) HIGHER PRICES FOR

IMPORTED GOODS DUE TO HIGHER SALES COSTS OF THE FOREIGN EXPORTER. THESE COSTS ARE SUCH AS TO RESULT IN DISCRIMINATION AGAINST DISTANT FOREIGN SUPPLIERS SUCH AS THE U.S. WE FEEL THAT KOREA AND ITS FOREIGN SUPPLIERS WOULD BENEFIT FROM GREATER RELIANCE ON AN IMPROVED TARIFF SYSTEM FOR IMPORT CONTROL RATHER THAN THE WIDE RANGE OF ADMINISTRATIVE MECHANISMS CURRENTLY IN USE. IN ANY EVENT, IMPORTERS AND FOREIGN EXPORTERS WOULD BENEFIT FROM READY AVAILABILITY OF A CENTRALIZED AND SYSTEMATIZED PUBLICATION OF THE REGULATIONS AND SPECIFIC EXCEPTIONS GOVERNING TRADE. U.S. REP MAY DRAW ON THE FOLLOWING QUESTIONS AND COMMENTS IN THE CONSULTATION WITH KOREA.

2. KOREA IS TO BE COMMENDED FOR ITS DECISION TO CHANGE FROM A POSITIVE LIST SYSTEM OF IMPORT CONTROLS TO A NEGATIVE LIST SYSTEM, PARTICULARLY SINCE THIS SWITCH WAS ACCOMPANIED BY A LARGE REDUCTION IN THE NUMBER OF CONTROLLED ITEMS. WE ARE FURTHER GRATIFIED TO SEE THAT THE GOK HAS RECENTLY ANNOUNCED A REDUCTION IN THE NUMBER OF CONTROLLED ITEMS FROM 602 TO 590. WE HOPE KOREA WILL BE ABLE TO MAKE ADDITIONAL REDUCTIONS IN THE NUMBER OF CONTROLLED ITEMS IN THE FUTURE. WE BELIEVE THAT KOREA'S ECONOMIC DEVELOPMENT RECORD, WHICH HAS RESULTED IN LARGE MEASURE FROM ITS COMMITMENT TO A FOREIGN TRADE ORIENTATION, DEMONSTRATES CLEARLY THAT LIMITED OFFICIAL USE
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TRADE LIBERALISM CAN BE PRODUCTIVE AND REWARDING AS PART OF A COUNTRY'S DEVELOPMENT STRATEGY.

3. QUESTION:

THE REPORT OF THE IMF INDICATED THAT THE SECOND HALF OF 1975 AND EARLY 1976 HAVE PRODUCED SIGNIFICANT IMPROVEMENTS IN KOREA'S BALANCE OF PAYMENTS POSITION. IN LIGHT OF THESE NEW DEVELOPMENTS AND THE UPTURN IN MANY OF THE DEVELOPED COUNTRY ECONOMIES, IS CONTINUED IMPROVEMENT IN KOREA'S BALANCE OF PAYMENTS POSITION EXPECTED? WILL THIS IMPROVEMENT ENABLE YOU TO REDUCE THE RESTRICTIONS

CURRENTLY APPLIED TO IMPORTS?

BACKGROUND:

BOTH THE IMF BACKGROUND DOCUMENT AND SEOUL 2952 INDICATE THAT KOREA'S STATEMENT DOES NOT REFLECT THE EXCEPTIONALLY STRONG RECOVERY FOR KOREAN EXPORTS WHICH BEGAN IN MID-1975 AND WHICH HAS DRAMATICALLY IMPROVED KOREA'S BALANCE OF PAYMENTS OUTLOOK. GROK PROJECTIONS NOW INDICATE THAT EXPORTS ARE EXPECTED TO INCREASE FROM 5.1 BILLION DOLLARS IN 1975 TO 6.5 BILLION DOLLARS IN 1976 WHILE

THE CURRENT ACCOUNT DEFICIT IS EXPECTED TO DECLINE FROM 1.8 BILLION DOLLARS IN 1975 TO 1.5 BILLION DOLLARS IN 1976. IN FACT THERE IS SOME HOPE THAT THEY MAY BE ABLE TO EXCEED THESE GOALS. THE ROK REPRESENTATIVES SHOULD, THEREFORE, BE ENCOURAGED TO UPDATE THE ROK SUBMISSION TO REFLECT THESE DEVELOPMENTS AND COMMENT ON PROSPECTS FOR RELAXATION OF IMPORT RESTRICTIONS.

4. QUESTION:

WHAT CRITERIA ARE USED FOR GRANTING IMPORT LICENSES FOR RESTRICTED ITEMS, AND HAS THERE BEEN A TREND TOWARD SIMPLIFYING THE PROCESS OF GRANTING LICENSES? WILL INCREASED RELIANCE ON TARIFFS AS A TRADE POLICY TOOL (WHICH IS EXPECTED TO RESULT FROM IMPLEMENTATION OF THE DRAWBACK SYSTEM AND AN IMPROVED BALANCE OF PAYMENTS SITUATION) ENABLE YOU TO REDUCE EMPHASIS ON IMPORT LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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LICENSING AS AN IMPORT RESTRICTIVE MEASURE? IS THE LICENSING SYSTEM BEING USED TO IMPLEMENT A PROGRAM OF IMPORT SUBSTITUTION? HOW DO YOU PLAN TO AVOID THE DEVELOPMENT OF DISTORTIONS WHICH ARE FREQUENTLY PRODUCED BY INCORRECT PRICING OF PRODUCTS AND MIS-ALLOCATING OF INVESTMENT RESOURCES IN AN ECONOMY WHEN A PARTICULAR SECTOR OR INDUSTRY IS INSULATED FROM THE INFLUENCE OF OUTSIDE COMPETITION?

BACKGROUND:

ALL IMPORTS ARE LICENSED, AND THE LICENSING APPARATUS SERVES THE DUAL FUNCTIONS OF SCREENING IMPORTS AND SPURRING EXPORTS. ONLY REGISTERED TRADERS CAN GET LICENSES, AND THEY MUST CURRENTLY HAVE MINIMUM EXPORTS OF U.S. 300,000 DOLLARS PER YEAR TO MAINTAIN THEIR STATUS.

THE SOURCES OF FUNDS FOR BUYING IMPORTS FIT INTO ONE OF SEVERAL CATEGORIES: KOREAN FOREIGN EXCHANGE (KFX),

FOREIGN AID, FOREIGN PRIVATE INVESTMENT AND JAPANESE REPARATIONS. IMPORTS PURCHASED WITH KFX ARE CLASSIFIED BY THE KOREA MINISTRY OF COMMERCE AND INDUSTRY, MCI, AS BEING EITHER AUTOMATICALLY APPROVED, RESTRICTED OR PROHIBITED. RESTRICTED ITEMS REQUIRE THE APPROVAL OF THE MCI, OTHER MINISTRIES, OR CERTAIN TRADE AND INDUSTRY ASSOCIATIONS. APPROVAL OF IMPORTATION ITEMS MAY ALSO BE CONTINGENT UPON THE STATUS OF VARIOUS QUOTAS, SPECIAL LISTS, SPECIAL LAWS, AND AN EXPORT LINK SYSTEM WHICH SPECIFIES THE RATIO OF EXPORTS A LICENSE HOLDER MUST MAINTAIN TO BRING IN SPECIFIED IMPORTS. IN SPECIAL CASES, FURTHER DISCRIMINATION MAY BE MADE RELATIVE TO IMPORTS FROM A PARTICULAR COUNTRY, (READ JAPAN), IN CASES OF EXTREME BILATERAL TRADE IMBALANCE.

OF PARTICULAR CONCERN TO EXPORTERS FROM DEVELOPED COUNTRIES ARE CERTIFICATION PROCEDURES FOR CERTAIN MACHINERY AND EQUIPMENT ITEMS. UNDER THE TRADE PLAN FOR THE SECOND HALF OF 1975 APPROVAL AUTHORITY FOR THESE ITEMS WAS TRANSFERRED FROM THE MINISTRY OF COMMERCE LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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AND INDUSTRY TO THE RELEVANT TRADE OR INDUSTRY ASSOCIATION.

THIS TRANSFER OF AUTHORITY COULD LEAD TO ABUSES, INCLUDING THE PROTECTION OF INEFFICIENT LOCAL INDUSTRY, AND THE IMPOSITION OF INFORMAL RESTRICTIONS NOT OFFICIALLY CONTROLLED UNDER THE TRADE PLAN. THE TRADE FOR 1974 IN RELEVANT CATEGORIES AMOUNTED TO APPROXIMATELY 185 MILLION DOLLARS.

IMPORTS WERE RESTRICTED IN 1975 TO A LOW RATE OF GROWTH, IN LARGE PART BY TIGHTENING LICENSING REQUIREMENTS. THOUGH REMAINING RELATIVE STRICT, SOME EASING IN CONTROLS WILL OCCUR IN 1976, WITH THE ROKG ANTICIPATING A 13.9 PERCENT EXPANSION OF IMPORTS. AT A LESS AGGREGATED LEVEL, HOWEVER, LICENSING RESTRICTIONS MAY TIGHTEN FOR SOME INDUSTRIES AS KOREA FOLLOWS ITS RELATIVELY RECENT POLICY OF IMPORT SUBSTITUTION.

WE FIND IT IRONIC THAT KOREA IS INTRODUCING AN ELEMENT OF IMPORT SUBSTITUTION INTO ITS TRADE POLICY IN VIEW OF THE FACT THAT KOREA IS PROBABLY THE EXAMPLE MOST FREQUENTLY CITED OF A COUNTRY WHICH HAS DEMONSTRATED THE GREATER EFFECTIVENESS OF EXPORT PROMOTION AS A POLICY FOR ECONOMIC GROWTH THAN THE TRADITIONAL IMPORT SUBSTITUTION APPROACH. AS BRAZIL, AMONG OTHERS, LEARNED IN THE 1960'S, IMPORT SUBSTITUTION, WHEN SUPPORTED BY EXCESSIVE OR EVEN ABSOLUTE PROTECTION FOR A DOMESTIC

INDUSTRY, RESULTS IN HIGHER PRICED, LOWER QUALITY PRODUCTS AND AN ARTIFICIALLY HIGH ALLOCATION OF SCARCE INVESTMENT CAPITAL TO THAT INDUSTRY. THE HIGH PRICE, LOW QUALITY PRODUCTS OF THE PROTECTED INDUSTRY, WHICH FREQUENTLY BECOME INPUTS FOR THE EXPORT SECTOR, MAKE THE COUNTRY'S EXPORTS LESS COMPETITIVE IN INTERNATIONAL MARKETS, AND THE ARTIFICIALLY HIGH INVESTMENT INHIBITS THE FORMATION OR EXPANSION OF OTHER, MORE COMPETITIVE, INDUSTRIES.

WE RECOGNIZE THAT SUPPORT OF INFANT INDUSTRIES IS A LEGITIMATE POLICY OBJECTIVE OF AN ECONOMIC DEVELOPMENT PLAN BUT WE FEEL THIS GOAL CAN BE BETTER ACHIEVED, FOR LIMITED OFFICIAL USE
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EXAMPLE, THROUGH TAX POLICIES, OTHER INVESTMENT INCENTIVES, OR EVEN TARIFF PROTECTION. WHILE THESE TYPES OF MEASURES MAY REDUCE THE PRESSURES OF COMPETITION, THEY DO NOT ELIMINATE THEM COMPLETELY. LICENSING SYSTEMS, HOWEVER, EITHER BY EFFECTIVELY SHIFTING THE PROCUREMENT DECISION FROM THE END USER TO THE GOVERNMENT OR BY SIMPLY CUTTING OFF IMPORTS, DRASTICALLY REDUCE OR ELIMINATE THE BENEFICIAL INFLUENCE OF OUTSIDE COMPETITION ON THE DEVELOPMENT AND EFFICIENCY OF THE DOMESTIC INDUSTRY.

5. QUESTION:

WHAT PROGRESS HAS BEEN MADE IN STEPS TOWARD A UNITARY TARIFF SYSTEM? WILL GREATER RELIANCE ON PRICE MEASURES IN IMPORT MANAGEMENT ENABLE THE ROK TO MOVE AWAY FROM LICENSING AND QR'S?

BACKGROUND:

THE ROKG HAS MADE PHASED ADJUSTMENTS IN THE STRUCTURE OF THE TARIFF AIMED AT A UNITARY TARIFF SYSTEM TO COMPLEMENT, IN PART, THE ENDING OF MANY TARIFF EXEMPTIONS AND THE IMPLEMENTATION OF THE DRAWBACK SYSTEM OF DUTY REIMBURSEMENT. THE MINISTRY OF FINANCE HAS UNDER STUDY A PLAN WHICH WOULD CALL FOR EVENTUAL ADOPTION BY KOREA OF A UNITARY TARIFF SYSTEM, PROVIDING FOR, INTER ALIA, A UNITARY REVENUE RATE OF 20 PERCENT WITH A STANDARD PROTECTIVE TARIFF WHERE PROTECTION FOR DOMESTIC INDUSTRY IS DESIRED. THIS PLAN IS NOT WITHOUT OPPONENTS, HOWEVER, AND IT REMAINS TO BE SEEN IN WHAT ULTIMATE FORM THE MINISTRY OF COMMERCE AND INDUSTRY WILL ALLOW A UNITARY SYSTEM TO BE IMPLEMENTED. FOR THE PRESENT, THE PRACTICAL IMPACT HAS BEEN QUITE LIMITED. ALSO, IT APPEARS THAT CHANGES IN THE STRUCTURE OF THE TARIFF ARE MADE SEPARATELY FROM CHANGES IN OTHER IMPORT CONTROLS.

SIMPLIFICATION OF THE TARIFF THUS HAS NO NECESSARY
IMPLICATIONS FOR THE USE OF LICENSING AND QRS.

6. QUESTION:

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HAS THE IMPLEMENTATION OF THE DRAWBACK SYSTEM FOR DUTY
REBATES PROVED TO BE AN EFFECTIVE ALTERNATIVE TO THE USE
OF WAIVERS OF THE ORIGINAL DUTY? HOW HAS THIS SYSTEM
INFLUENCED THE DECISION TO BUY DOMESTIC VERSUS IMPORTED
GOODS? IN WHAT WAYS WILL THE USE OF THE DRAWBACK SYSTEM
ALLOW FOR LESS RELIANCE ON NON-TARIFF MEASURES AND MORE
RELIANCE ON THE TARIFF SYSTEM?

BACKGROUND:

ON JULY 1, 1975 AFTER REPEATED POSTPONEMENTS OF EARLIER
TARGET DATES, THE ROKG IMPLEMENTED ITS FIRST PHASE OF
CONVERSION TO A DRAWBACK SYSTEM FOR HANDLING TARIFF
EXEMPTIONS ON IMPORTS OF RAW MATERIALS FOR EXPORT
PRODUCTION. IN THE FIRST PHASE, RAW MATERIALS FOR 356,
OUT OF APPROXIMATELY 500 MAIN EXPORT CATEGORIES, HAVE
BEEN SWITCHED TO THE DRAWBACK SYSTEM, INSTEAD OF BEING
ELIGIBLE FOR WAIVERS OF THE IMPORT DUTY. SPECIFIED
COMPANIES WITH SUBSTANTIAL RESOURCES NEED ONLY DEPOSIT
A PROMISSORY NOTE OF UP TO 4 MONTHS MATURITY, WITH
SEVERAL EXCEPTIONS. OTHER COMPANIES MAY PUT UP
COLLATERAL IN LIEU OF CASH. THE MINISTRY OF FINANCE
IS TO REVISE THE LIST OF CATEGORIES QUARTERLY WITH THE
INTENT OF INCREASING THE COVERAGE OF THE SYSTEM AND
REDUCING THE MAXIMUM MATURITY OF PROMISSORY NOTE OR
PERIOD FOR WHICH COLLATERAL IS ACCEPTABLE. EVENTUALLY
EXPORTERS WILL BE REQUIRED TO PAY THE ACTUAL DUTY AT
THE TIME OF CUSTOMS CLEARANCE. THE DRAWBACK SYSTEM
WILL INCREASE FINANCING COSTS FOR EXPORTERS AND
DISCOURAGE STOCKPILING OF IMPORTS.

THE U.S. SHOULD EXPRESS THE HOPE THAT EVERY OPPORTUNITY
BE TAKEN TO TRANSFER THE BURDEN OF MANAGEMENT OF IMPORTS
FROM NON-TARIFF MEASURES TO A RATIONALIZED TARIFF
SYSTEM. ALSO, IT IS CONSIDERED VITAL THAT THE
DRAWBACK SYSTEM BE STABILIZED AND THAT ADVANCE NOTICE OF
CHANGES SHOULD BE SUFFICIENT TO ALLOW DISTANT SUPPLIERS
TO ADJUST THEIR PLANS. FINALLY, A QUESTION REMAINS AS TO
WHETHER THE ADDED COSTS TO EXPORTERS OF THE SYSTEM WILL
BE COUNTERBALANCED BY CORRECTIVE CHANGES IN THE TARIFF.

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7. QUESTION:

IT WOULD SEEM THAT THE PRESENT PRACTICE OF GRANTING SELECTIVE DEPARTURES FROM THE RULE ON RETENTION PERIODS OF PRIOR IMPORT DEPOSITS WOULD BE DIFFICULT AND COSTLY TO ADMINISTER. WOULD THE CURRENT IMPORT DEPOSIT SYSTEM BE MORE EFFECTIVE IF SUCH SELECTIVE SHORTENING OF THE 90-DAY RETENTION PERIOD WERE DISCONTINUED IN FAVOR OF ACROSS-THE-BOARD REDUCTIONS OF DEPOSIT REQUIREMENTS?

BACKGROUND:

CHANGES WERE MADE DURING 1975 AND 1976 IN THE PRIOR IMPORT DEPOSIT SYSTEM WHICH BOTH HURT AND HELPED THE UNITED STATES. THE MINIMUM RETENTION PERIOD WAS INCREASED FROM 60 TO 90 DAYS. THIS IN TURN RAISED FINANCING COSTS, PARTICULARLY FOR IMPORTS ON SIGHT LETTER OF CREDIT TERMS, WHICH ARE WIDELY USED FOR IMPORTS FROM THE U.S. THE 90-DAY REQUIREMENT HELPED NEUTRALIZE THE DISADVANTAGE FACED BY DISTANT SUPPLIERS SUCH AS THE U.S., AS DID THE CHANGE TO ASSESSING DEPOSIT RATES ON THE F.O.B. VALUE PLUS 10 PERCENT INSTEAD OF THE C.I.F. VALUE. THE 90-DAY REQUIREMENT WAS DESIGNED TO STIMULATE USE OF SHORT-TERM FINANCING BY KOREANS, YET THE IMPROVED BALANCE OF PAYMENTS SITUATION MAY MAKE THE ORIGINAL INTENTION OBSOLETE.

WHILE ON BALANCE THE EXTENSION OF THE RETENTION PERIOD HAS ACCRUED TO THE FAVOR OF THE U.S., THE ROKG HAS BEEN ALLOWING SELECTIVE SHORTENING OF THAT PERIOD. THIS HAS NOT ONLY DILUTED THE IMPACT OF THE ORIGINAL EXTENSION, BUT IS SIMPLY ONE OTHER ADDITION TO THE COMPLEXITY AND UNPREDICTABILITY OF THE KOREAN FOREIGN TRADE REGIME. IT SHOULD BE STATED THAT THE INTERESTS OF ALL PARTIES MIGHT BEST BE SERVED BY ADHERING TO THE 90-DAY RETENTION PERIOD BUT GIVING ACROSS-THE-BOARD REDUCTIONS IN THE PRESENT DEPOSIT REQUIREMENTS, WHICH CAN RANGE UP TO 200 PERCENT.

8. QUESTION:

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DOES THE GROC FEEL THAT THE COST TO FOREIGN SUPPLIERS OF DOING BUSINESS IN KOREA WHICH RESULTS FROM KOREA'S COMPLEX SYSTEM OF TRADE RESTRICTIONS IS PASSED ON IN THE LONG RUN TO KOREAN CONSUMERS? COULD SUFFICIENT CONTROL OVER IMPORTS BE ACHIEVED AT A LOWER COST BY GREATER RELIANCE ON A REFORMED TARIFF SYSTEM AND

REDUCED USE OF ADMINISTRATIVELY IMPOSED RESTRICTIONS?
WILL THE SEMI-ANNUAL TRADE PLAN FOR THE SECOND HALF OF
1976 BE PUBLISHED IN CONSOLIDATED FORM?

BACKGROUND:

LIKE MANY, INDEED MOST, LDC'S KOREA HAS AN EXTREMELY
COMPLEX AND BUREAUCRATICALLY CUMBERSOME SYSTEM OF
RESTRICTIONS ON IMPORTS. WHILE SUCH RESTRICTIONS ARE

PROBABLY EFFECTIVE IN CONTROLLING IMPORTS THEY HAVE A
NUMBER OF UNDESIRABLE SIDE EFFECTS: THEY ARE EXPENSIVE
FOR THE COUNTRY TO ADMINISTER, REQUIRING LARGE
BUREAUCRACIES; THEY TEND TO INVITE OFFICIAL CORRUPTION
SINCE THE FINAL AUTHORITY ON MANY PROCUREMENT
DECISIONS IS VESTED IN THE HANDS OF A BUREAUCRAT, WHO
MAY BE INFLUENCED BY A NUMBER OF NON-TECHNICAL FACTORS,
RATHER THAN THE INTERESTS OF THE END USER, WHO RESPONDS
TO MARKET FORCES. THEY INCREASE THE COST OF IMPORTED
PRODUCTS (1) BY INCREASING THE COST OF DOING BUSINESS FOR
FOREIGN SUPPLIERS BOTH BY INCREASING THE UNCERTAINTY
ABOUT THE WAY IN WHICH PURCHASE DECISIONS CAN BE
EXECUTED AND THE ECONOMIC TERMS, E.G. ELIGIBILITY FOR
TARIFF WAIVERS, PRIOR DEPOSIT REQUIREMENTS, ETC.,
APPLICABLE TO THE PURCHASE AND (2) BY REQUIRING THAT
MORE COMPANY STAFF TIME BE SPENT ON CHARTING THE INS
AND OUTS OF THE VARIOUS RESTRICTIONS. THEY DISCRIMINATE
AGAINST THE MORE DISTANT SUPPLIERS, E.G. U.S., WHO
FACE A HIGHER COST OF INFORMATION. FINALLY THEY TEND
TO CAUSE DISTORTIONS IN THE ECONOMY BY PROVIDING EXCESSIVE
PROTECTION FOR FAVORED INDUSTRIES. THE GROK REPRESENTATIVE SHOULD BE ENCOURAGED TO CONSIDER REDUCTIONS IN

THE COMPLEXITY AND, FAILING THAT, TO DOCUMENT IT MORE
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FULLY. UP TO JANUARY OF 1973, THE SEMI-ANNUAL TRADE
PLAN, WHICH HAS BEEN A SORT OF GUIDE THROUGH SOME OF THIS
COMPLEXITY, WAS PUBLISHED IN ENGLISH BY THE KOREAN
TRADERS ASSOCIATION (KTA), BUT SUCH PUBLICATION APPEARS
TO HAVE BEEN SUPPRESSED AT THE REQUEST OF THE MINISTRY
OF COMMERCE AND INDUSTRY. U.S. EMBASSY STAFF HAVE
PRODUCED AN ENGLISH VERSION FOR THE FIRST HALF OF

1976 BY COMPILING ANNOUNCEMENTS BY THE KTA AND DOING
RESEARCH INTO ORIGINAL KOREAN LANGUAGE DOCUMENTS. THE
EMBASSY STAFF, THOUGH, CAN NOT VOUCH FOR THE COMPLETENESS
OR ACCURACY OF THEIR VERSION. THIS SITUATION MAKES THE
COMPLICATED KOREAN SYSTEM MORE VEILED AND UNPREDICTABLE
THAN NECESSARY. THE LACK OF INFORMATION IS IN ITSELF
A BARRIER TO TRADE. SISCO

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